

Message Text

CONFIDENTIAL

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ACTION AF-10

INFO OCT-01 ISO-00 PA-01 PRS-01 IGA-02 OPIC-03 ERDA-05

AID-05 CEA-01 CIAE-00 COME-00 EPG-02 DODE-00

EB-07 FPC-01 H-01 INR-07 INT-05 L-03 NSAE-00

NSC-05 OMB-01 PM-04 USIA-06 OES-07 SP-02 SS-15

STR-04 TRSE-00 ACDA-07 /106 W

-----100340Z 099017 /13

R 091558Z MAY 77

FM AMEMBASSY MONROVIA

TO SECSTATE WASHDC 4658

C O N F I D E N T I A L MONROVIA 3210

E.O. 11652: GDS

TAGS: EINV, ENRG, LI

SUBJECT: LIBERIA REFINING COMPANY (LRC)

REF: MONROVIA 2946

1. GOL MINISTER OF FINANCE PHILLIPS HAS PROVIDED THE AMBASSADOR WITH COPIES OF TWO LETTERS WHICH HE (PHILLIPS) WROTE TO PRESIDENT TOLBERT WITH REGARD TO THE LIBERIA REFINING COMPANY. SUBSTANCE OF FIRST LETTER DATED MAY 3 IS AS FOLLOWS: IN REPSONSE TO SUN'S TWO SEPARATE OFFERS \$7 AND \$9 MILLION FOR ITS 67 PERCENT EQUITY IN LRC, CONCESSIONS AND INVESTMENT COMMISSION (CIC) RECOMMENDED GOL MAKE OFFER OF \$1.5 MILLION FOR REFINERY'S PHYSICAL ASSETS (TOTAL ASSETS OF \$24.9 MILLION AS OF DECEMBER 1976 MINUS TOTAL LIABILITIES OF \$23.4 MILLION) AND NEGOTIATE SEPARATELY FOR REFINERY'S INVENTORY AND SPARES. CIC REASONED THAT IF GOVT. HAD TO OPERATE REFINERY, IT SHOULD START WITH CLEAN SHEET BY ORGANIZING NEW COMPANY WITH FOREIGN MANAGEMENT. MOREOVER, CIC NOTED THAT LRC HAD LARGE OUTSTANDING DEBTS. BECAUSE MOF DOES NOT WANT SUN TO FEEL IT IS UNDER PRESSURE, MOF IS RECOMMENDING FOUR CENTS PER GALLON PRICE INCREASE TO ENABLE SUN TO OPERATE REFINERY IF GOL OFFER IS REJECTED.

2. SECOND LETTER DATED MAY 4 SENT TO PRESIDENT TOLBERT IS FROM
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MOF PHILLIPS AS CHAIRMAN OF PRESIDENT'S COMMISSION ON PRICING OF REFINERY PRODUCTS. LETTER GIVES BACKGROUND ON PAST PRICE INCREASES LEADING UP TO REFINERY FIRE ON CHRISTMAS DAY 1976 AND SUBSEQUENT RAPID DETERIORATION OF RELATIONS BETWEEN COMMISSION AND LRC. IN CONCLUSION COMMISSION RECOMMENDS PRICE INCREASE OF FOUR CENTS PER GALLON TO COVER LOSSES INCURRED IN LAST FOUR MONTHS WHEN REFINED PRODUCTS HAVE BEEN IMPORTED AND SOLD BELOW COST AS

WELL AS TO TAKE INTO ACCOUNT OPEC CRUDE OIL PRICE INCREASE
EFFECTIVE JAN 1, 1977 AND "ANY UNRECOUPED SHORTFALL UNDER
(PRICING) FORMULA IN 1976."
HORAN

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PETROLEUM, PUBLIC CORRESPONDENCE, FOREIGN INVESTMENTS
Control Number: n/a
Copy: SINGLE
Sent Date: 09-May-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977MONROV03210
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D770163-0704
Format: TEL
From: MONROVIA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770579/aaaacqbm.tel
Line Count: 66
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 56774698-c288-dd11-92da-001cc4696bcc
Office: ACTION AF
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 77 MONROVIA 2946
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 08-Feb-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2597022
Secure: OPEN
Status: NATIVE
Subject: LIBERIA REFINING COMPANY (LRC)
TAGS: EINV, ENRG, LI, LIBERIA REFINING CO, SUN OIL CORP
To: STATE
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/56774698-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
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